

**BOARD OF DIRECTORS – ACTION SUMMARY**  
**Wednesday, July 13, 2005 – 6:00 p.m.**

**Administration Building**  
**2101 Hurley Way, Sacramento, CA**

**CALL TO ORDER**

The meeting was called to order by President Granados. Board Members present: Duveneck, Engellenner, Granados, Jones, Lawson, Valley. Directors Goold, Kelly, Trujillo, absent. Staff: Fire Chief Martinez, General Counsel Price, Board Clerk Tilson.

**PLEDGE TO FLAG** led by the Girl Scouts of Tierra Del Oro, Troops 529 and 2665.

**PUBLIC OPPORTUNITY TO DISCUSS MATTERS OF PUBLIC INTEREST WITHIN DISTRICT JURISDICTION INCLUDING ITEMS ON OR NOT ON THE AGENDA**

Ross Davidson, representing the Carmichael Chamber of Commerce, voiced concern with the problems facing the District stating that the Carmichael Chamber of Commerce voted unanimously to request the Fire Chief, his Deputy, and Counsel withdraw their resignations and continue to work for the Board.

Director Lawson stated that Board Member Matt Kelly is not present this evening. His brother was killed in an automobile accident on Friday and requested the meeting be closed with a moment of silence on behalf of the Kelly family.

**CONSENT AGENDA:**

**1. Board Meeting Action Summary—June 22, 2005**

- Director Duveneck requested an addition [Action Item 2] to read, “Director Duveneck voiced strong concerns over the reassignment of the Board Clerk, her salary, and the job description.”
- **Board Action:**  
*Engellenner/Valley—approve Action Summary as amended. Directors Duveneck, Engellenner, Granados, Jones, Lawson, Valley, AYE. Directors Goold, Kelly, Trujillo, absent. Motion carried.*

**ACTION ITEM(S)****1. The Meadows at Cripple Creek Annexation to Citrus Heights Water District LAFCo (07-05)—(Appel)**

- The territory proposed for annexation into the Citrus Heights Water District currently is not served by a municipal water system.
- This annexation would enhance our life safety service delivery capabilities to the affected area and would not create an adverse fiscal impact on the District.
- Staff recommends the District Board go on record in support of the proposed annexation of territory under Sacramento LAFCo Application (07-05) into the Citrus Heights Water District and direct staff to prepare a confirmation communiqué to Sacramento LAFCo.
- **Board Action:**  
*Engellenner/Duveneck—approve the staff recommendation. Directors Duveneck, Engellenner, Granados, Jones, Lawson, Valley, AYE. Directors Goold, Kelly, Trujillo, absent. Motion carried.*

**2. Schematic Plans for Fire Stations No. 111, 42, and 29—(Horel)**

- The District must file a conditional use permit application with the Sacramento County Department of Planning and Community Development in order to initiate the formal planning process for new fire stations. An essential element of the conditional use permit application is a set of schematic plan drawings that depict the scope and nature of the proposed project.
- All three projects are designed with the previously Board approved standard 3:10 type (3 bay with 10 bed) fire station plan similar to that which is currently under construction at Station 32 at Hazel and Roediger. Station 29 has a Battalion Chief's quarters added to the standard design in order to fulfill operational objectives.
- The estimated range of cost for construction of the fire stations is as follows:
  - Station 111 - \$5.5-\$5.9 million
  - Station 42 - \$5.2-\$5.6 million
  - Station 29 - \$6.0-\$6.5 million

The opinions of probable cost include a cost escalation factor of 0.75%/month (9% per year) to the mid-point of construction. The difference in costs for each of the projects is attributable to differences in required site work such as, site grading, protected tree mitigation, utilities, drainage, and traffic signals. The cost for Station 29 also includes a 795 square foot addition for a Battalion Chief's office and quarters. More refined cost estimates will be developed for Board review in advance of the bid process.

- Public information forums were held to address any community concerns.
- Director Duveneck stated he received a call from Irene Frank with a concern that a number of rats have migrated onto her property since construction commenced at Eastern and Berrendo.

Project Manager Horel stated the problem will be checked out.

- Both Stations 32 and 107 are under construction with the contractor on target in meeting the deadlines.

The Board authorized a 5% contingency fund. The need for additional funds would be brought back to the Board but their goal is not to exceed this amount. A change does not necessarily result in cost since it can be negotiated.

- Costs shown include the inflation estimate of about 15% and building site changes.
- In response to Director Engellenner, Mr. Horel stated Station 29 is consistent with the design criteria approved by the Board with plans incorporating a separate living facility/kitchenette and office quarters for the Battalion Chief.
- Staff recommends approval of the schematic plans for fire stations 111 (Rio Linda), 42 (North Highlands), and 29 (Orangevale) and authorize staff to submit the schematic plans to the County of Sacramento as attachments to the conditional use permit application and to initiate subsequent design phase work.

- **Board Action:**

*Valley/Jones—approve the staff recommendation. Directors Duveneck, Engellenner, Granados, Jones, Lawson, Valley, AYE. Directors Goold, Kelly, Trujillo, absent. Motion carried.*

- Fire Chief Martinez stated that General Counsel Price, Finance Director Houghton, and Deputy Chief Appel are working on revenue bonds to deliver a long-term funding stream for station construction, as demonstrated by the performance of the stand-alone TRAN and the Pension Funding Obligation Bonds.

Future staff recommendation anticipated relative to revenue bonds as a funding stream with impact fees paying for the bonds.

In response to Director Lawson, pre-qualification was not a problem. Project Manager Horel has mitigated some of the concerns of the contractor community and anticipate more interest in bidding.

### **3. General Counsel Selection Process—(Martinez/Price)**

- President Granados stated an Executive Committee meeting was held yesterday. Discussion included: bifurcate the duties of General Counsel into a General Counsel for the Board and a Staff Counsel, or possibly an outside firm for the general counsel work and an individual/staff counsel for the day-to-day work; subdivision of the current job description and provide different options.
- Fire Chief Martinez stated that General Counsel provided a “laundry list” of items that his office takes care of on a regular routine basis.

His recommendation included looking for one or more people to fill the broad scope of the role.

- Proposed to the Committee to extricate some functions in the job description for General Counsel and put it out to an RFP with respect to what the Board relies on and see what the market bears.
- The Fire Chief selection process is important to line up so that the Fire Chief can weigh in or participate in the Staff Counsel selection process.
- Counsel Price stated it was his intent at the last meeting to leave at the end of August but indicated to Fire Chief Martinez that he is willing to stay until he leaves in October to facilitate the Board's selection process for both the Fire Chief and General Counsel.
- Director Duveneck stated he supported the idea of one staff counsel but could never support two counsels because (1) it was a waste of taxpayers' money, and (2) it would just cause more dysfunction for this Board and Metro Fire District.

- Director Jones stated she was in support of one in-house counsel to carry on and if particular issues or areas of expertise were required that we would do as we have done in the past and that is have a list of appropriate counsel to contract out with.
- Both Director Lawson and Director Engellenner expressed support of the Fire Chief's recommendation but were concerned that three members of the Board were not present tonight and felt this should be taken under advisement until the next meeting.
- President Granados stated there is a general consensus in favor of one individual for Counsel; recommended bringing back job descriptions for both the General Counsel and Staff Counsel for discussion at the next Board meeting.
- Karen Klinger encouraged the Board to make a decision tonight in favor of one Counsel.

President Granados clarified the fact that Fire Chief Martinez made the recommendation to consider splitting the duties of General Counsel because of the amount of work and the possibility that we may not find an individual to do both.

- General consensus to post the job description to determine the candidate pool before going to an RFP.
- **Board Action:**  
*Duveneck/Jones—pursue one counsel to represent the District and the Board and follow the process recommended by the Fire Chief to have the new Fire Chief involved in the decision making for the Counsel. Directors Duveneck, Granados, Jones, Valley, AYE. Directors Engellenner, Lawson, NO. Directors Goold, Kelly, Trujillo, absent. Motion failed 4-2 for lack of a 5-member majority vote.*
- Bill Berry recognized the staffing issue in terms of workload but expressed concern that Counsel continue to work under District Management and to not bifurcate the legal responsibility between staff and the Board.

**4. Resolution No. 23-05 – Industrial Disability Retirement Application -- Fire Engineer James B. Cauley—(Appel)**

[Considered after the Closed Session]

- Work related injury precluding performance of duties in the position of Fire Engineer.
- Application filed with the Public Employees' Retirement System.
- Recommend approval; retirement effective July 14, 2005.

- **Board Action:**  
*Lawson/Jones—adopt the Resolution. Directors Duveneck, Engellenner, Granados, Jones, Lawson, Valley, AYE. Directors Goold, Kelly, Trujillo, absent. Motion carried.*

## **PRESENTATION ITEM (S)**

### **1. 2005/06 Stand-Alone TRAN – Final Report on Sale and Investment—(Appel)**

[Taken Out of Order after Consent Items]

Deputy Chief Appel stated the District normally participated in a pool and this is the first stand-alone issuance of a TRAN. Last year the pooled cost of issuance was approximately \$120,000. Mr. Ciocca estimated a stand-alone cost of about \$80,000 but the amount was less at \$78,951.

Dennis Ciocca, District financial consultant from Sutter Securities, provided an update on the Tax and Revenue Anticipation Notes (TRAN) sale of \$40 million on June 28, 2005, closing date July 6, 2005, to Morgan Stanley & Co. Inc. at an interest rate of 3.75% with a yield of 2.57%. Earnings will be about double from the pooled investment in the range of \$500,000 before expenses. Moody's Rating Committee reviewed and assigned a rating of MIG 1, the highest rate given on Tax and Revenue Anticipation Notes, with no requirement to buy bond insurance.

On behalf of the District, Fire Chief Martinez thanked Finance Director Houghton, General Counsel Price, and Deputy Chief Appel for their integral involvement.

### **2. Current Firefighter Death and Disability Benefits Under CalPERS—(Appel)**

- At the June 8 Policy Committee Meeting, information was presented relative to proposed legislation to change the current CalPERS retirement system from a Defined Benefit Program to a Defined Contribution Plan.

Subsequent to the Policy Committee meeting, Assembly Constitutional Amendment 5 (ACA 5) sponsored by Assembly Member Richman was withdrawn because it did not address survivors' and disability benefits for public safety members, but probably will be revisited in the next legislative session.

A two-page attachment to the staff report contained the current firefighters/peace officers benefits available for survivors in the event of death and disability for evaluation purposes if this potential legislation resurfaces.

### **3. Financial Audit Fiscal Year 2004/2005—(Houghton)**

- Finance Director Houghton requested direction from the Board on performance of the next fiscal year's full financial audit.

The County of Sacramento Audit Division has performed the full financial audit for the past ten years and it was his intention to continue unless directed otherwise. The Pension Obligation Bond Issue requires the completion and distribution of a financial audit to the bondholders by March 31<sup>st</sup> of each year. There is a short turn-around timeframe to meet the bonding requirements. His staff has started putting together an RFP if that is the desire of the Board, but the audit needs to start September 1<sup>st</sup>.

Total cost of last year's audit was \$66,000.

- Deputy Chief Appel recommended the Board stay with the County of Sacramento for this year's audit to avoid any delay, which would reflect on the District's future financial dealings. The issue of an RFP, if desired for subsequent audits, can be referred to the Finance Committee for discussion allowing an ample timeframe.
- In response to Director Lawson's dissatisfaction with the County's surface audit, Mr. Houghton stated a financial audit is performed the same way by every firm with its purpose to present an opinion validating the fairness of the financial statements as a whole. If a specific scope of work is desired, it must go to an RFP.
- President Granados stated the concern of the Board is to avoid another article in the Bee pointing out expenditures that the Board was unaware of on a program. Recommended development of an RFP and let the County bid on an in-depth scope of work with specific items from Board members to be forwarded to Mr. Houghton.
- Fire Chief Martinez recommended the County perform the standard annual audit this year to meet the March deadline for the Pension Bond Issue; the next 90 days develop an RFP for the next fiscal year audit in accordance with the GASB standard; in addition, itemize programs for a best practices or specific audit by someone specializing in this area.
- **Board Action:**  
*General consensus to move forward with the County of Sacramento performing this year's financial audit and an RFP proposal to be presented to the Finance Committee at its first meeting in October.*

### **SHERIFF'S HELICOPTER CRASH**

Fire Chief Martinez announced that a Sheriff's helicopter crashed in our District about an hour ago. Quite a few engine companies are on the bluffs in Fair Oaks working the fire. All three occupants of the helicopter were transported to the hospital. The crash was significant and injuries may be life threatening.

**4. Aviation Program Audit – Review Scope of Work—(Martinez)**

- A three-page staff report was submitted by Battalion Chief Holbrook containing the Scope of Work for an audit of the District's Aviation Program to validate the Program and the Needs Assessment.
- The report contains the recommended Scope of Work for an aviation-consulting firm to assist the district in its efforts to produce a single comprehensive and objective review of the District's Helicopter Program.
- In order to meet the objective of a single comprehensive review, a combination two-phase audit approach is recommended. This structure will maximize efficiency while emphasizing the direction as laid out by the Board of Directors. The combined phases will address "Program Costs and Operational Capabilities" and "Master Plan" for the District's Aviation Program.

Qualified vendor to be selected through an interview process by a three-member panel to consist of individuals outside of our organization and the District Finance Director or Program Manager.

- Fire Chief Martinez anticipated the cost for the Aviation Program Audit Scope of Work to be within his spending authority for issuance of a purchase order to provide the service. If not, it would be brought back to the Board. Recommended approval to resolve this issue.

In response to President Granados, his intention is to provide the vendor with the questions submitted by Board members but Director Trujillo can still weigh in.

- **Board Action:**  
*General consensus to accept the Fire Chief's recommendation to proceed if within his parameters.*
- Karen Klinger voiced objection to expenditure of funds on the audit.

**5. Fire Chief Selection Process—(Granados/Martinez)**

- Executive Committee discussed this item yesterday and requested the Fire Chief to work on the job description.
- Fire Chief Martinez distributed a packet of information to the Board containing a sampling of Job Announcements and search documents as examples of what other agencies have used to describe their desired candidate profile and job requirements. Recommended review of the essential job functions/duties, experience, and the education sections.



Distributed a copy of his job description which is adequate as a whole. Committee provided direction to clean it up but there are no substantive changes unless the Board wants to change the areas mentioned.

Referred to the Emergency Services Consulting Inc. letter dated July 12, 2005 received by the Board today. Strongly suggested hiring an outside consultant to help with the interview evaluation process and to quantify the Board's expectations and vision for the District.

Recommended review of his modified job description at the next Board meeting to finalize; modify the Education and Experience areas if desired; direct him or another source to find a vendor specializing in executive search; prepare a brief summary to quantify the Board's expectations and vision for the District; advertise first part of August; two-three weeks for accepting applications containing a couple questions for written response from the candidates; interview; select successor by mid-September to allow transition time – comfortable in providing input but not in participating in the selection process.

- **Board Action:**  
*General consensus in favor of an outside consultant or Executive search firm to help with the selection process.*

Fire Chief Martinez stated he will check on some firms for cost and bring the information back at the next Board meeting.

#### **PRESIDENT'S REPORT—(Granados)**

- Expressed hope for the individuals involved in the helicopter tragedy.
- Director Kelly's brother passed away unexpectedly in a vehicle accident. A moment of silence will be observed at the end of the meeting.
- Aerojet sold Aerojet Fine Chemicals (AFC) for approximately \$120 million for just the buildings and not the land.
- District website shows open positions for Accounting Technician, Office Technician, and Logistics Technician. Inquired if a survey was done on anticipated retirements for this year.

Fire Chief Martinez stated a member of the District did a survey. A number of testing processes for lists are in place for the Accounting, Office, and Logistics Technicians, and Warehouse Supervisor with existing vacancies. Supervising Inspector test completed; will test for Fire Investigator. Deputy Fire Marshal job description to be brought back for review prior to testing. Job descriptions will be reviewed for proper classification. A recommendation will be made with the Final Budget on the Staffing Document.

President Granados requested a status report at the next meeting.

**FIRE CHIEF'S REPORT—(Fire Chief Martinez)**

- Appreciated the comments tonight with respect to withdrawing his resignation but he is retiring on October 20. Endeavoring to have a smooth transition but there will be only one Fire Chief and he is committed to just lend support to his successor.

**GENERAL COUNSEL'S REPORT—(Price)**

- Confirmed the fact that he is retiring but will stay until the middle of October to facilitate a smooth transition.

**COMMITTEE AND DELEGATE REPORTS:****Executive Committee—(Granados)**

- Received presentation on meeting held yesterday. Working on the job descriptions to advertise. Continuing to move forward.

**Communications Center Delegate—(Engellenner)**

- Comm Center received 1,308 calls on July 4<sup>th</sup>, down by 49 calls from last year. The public is getting the message.
- Eight candidates to be interviewed this week for Operations Manager position. Will inform Director Jones and others when selection is made.
- Next meeting: July 26, 2005 – 10:30 AM

**California Fire & Rescue Training Authority—(Goold)**

- Next meeting: September 23, 2005 – 10 a.m.

**Finance Committee—(Jones)**

- Next meeting: August 10, 2005 – 5:00 p.m.

**Policy Committee—(Trujillo)**

- Next meeting: July 27, 2005 – 5:00 p.m.

**BOARD MEMBER QUESTIONS AND COMMENTS:****Duveneck:**

- Thanked the men and women working out on the river and in the stations on the 4<sup>th</sup> of July to keep the citizens safe.
- Congratulated the Fire Inspectors who apprehended the arsonists for doing a great job.

**Lawson:**

- Echoed the sentiments of Director Duveneck. Metro did an outstanding job during the holiday.
- Requested a six-month report on the District station call volume. He presents a report to his constituents at local community meetings and this is beneficial to him and other Board members involved in community service.

Deputy Chief Appel stated a copy could be provided.

**Valley:**

- Very fortunate to have such a high caliber of people working for us. The arsonists were caught before they killed someone. Congratulated them for a job well done.

**Granados:**

- Echoed same sentiments.

**Martinez:**

- Acknowledged Fire Marshal Mike Dobson and Deputy Chief Dennis Plessas for an excellent job in working through the fireworks problem in Rancho Cordova.

**RECESS TO CLOSED SESSION 8:35 PM**

Director Engellenner recused from the Closed Session.

**RECONVENE TO OPEN SESSION 8:55 PM**

Report by General Counsel Price:

**CLOSED SESSION GOVERNMENT CODES:****1. CONFERENCE WITH LEGAL COUNSEL—EXISTING LITIGATION**

Pursuant to California Government Code Section 54956.9(a) – One (1) Case

James B. Cauley vs Sacramento Metropolitan Fire District  
WCAB SAC 341504

The Board reviewed the medical evidence supporting the industrial disability retirement. No action was taken.

The Resolution for consideration is under Action Item No. 4.

**2. CONFERENCE WITH REAL PROPERTY NEGOTIATOR**

Pursuant to California Government Code Section 54956.8

Property: Located near the intersection of Chrysanthy Boulevard and Anatolia Drive, in the City of Rancho Cordova, California and described as approximately a 2.8-acre portion of Sacramento County Assessor's Parcel No. 067-0430-017, a larger property known as Lot 17 as shown on that certain final map of "Subdivision No. 01-0385.0 Large Lot Map of Anatolia" recorded on June 18, 2003 in Book 316 of Maps, Map No. 8.

Agency Negotiator: Chuck Horel, Project Manager

Negotiating Parties: Sacramento Metropolitan Fire District and Mark Enes representing Anatolia, LLC, a California Limited Liability Company.

Under Negotiation: Price and term/conditions of purchase

The Board provided direction to the real property negotiator concerning price and terms and condition of purchase. No action was taken.

- Karen Klinger voiced concerns on the selection process of the new Fire Chief; progress update on cable TV; and Division location of Station 107 and District representative.

President Granados stated the Census determines the drawing of division boundary lines based on population.

Fire Chief Martinez stated cable is anticipated at either the next or following meeting.

**ADJOURNMENT** – Meeting adjourned at 9:00 p.m in memory of Director Kelly's brother.

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Gregory A. Granados, President

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Matt Kelly, Secretary

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Charlotte Tilson, Clerk of the Board